

TIRSAN KARDAN HOLDS THE PULSE OF THE AUTOMATIVE SECTOR VIA NETSiS



"We envisioned an integrated and flexible software that would collect Tirsan's complex product and manufacture range in one system, be able to keep up with our developing structure and work at our pace. Netsis Fusion @6 has provided us with everything we envisioned."

The manufacturer of cardan shafts and spare parts for the international and Turkish automotive industries in its plant in the Manisa Industrial Zone, Tirsan Kardan is one of the three integrated cardan manufacture plants in Europe and the only one in Turkey. Tirsan Kardan is using NETSiS since 2004 to monitor all of its business processes from planning to manufacture, from order to invoicing, to supply chain. An affiliate of the Tiryakiler group of companies, Tirsan Kardan produces for the entire of the domestic automotive sector and for Russia, Iran and many of the European countries under the "Tirsan" brand. "Better price, better quality" is the service target of Tirsan Kardan who produces for customers like Ford Motor Co. Ltd., Arvin Meritor, General Motors, Iran Khodro, Volvo Power Train, MCV, Sazeh, Yostar Saipace, Albion Automotive, BMC, Mercedes Benz, Ford Otosan, Hyundai Assan, Man, Otokar, Otoyol, Tamsa, Tofaş.

Tirsan Kardan performs this production for its customers around the world with the advanced technology it employs, namely its CNC facilitated machinery, electronic measurement and quality control systems, heat treatment and hot forging technologies. The company's plant, which is furnished with state-of-the-art equipment, maintains its high-quality production since 1970. Tirsan Kardan nevertheless continues to raise the quality of its products by using the latest technologies of the day; conducts its business with the principle of absolute customer satisfaction by offering its customers the advantages of internationally competitive prices as well as timely production and delivery.

In 2004, the company has taken a great stride forward in the high-quality services it offers to the market by gathering all of its business processes under one roof with an ERP investment. Tirsan Kardan's General Manager Nuri Ünver explained: "We have a complex product range at Tirsan Kardan. In 2004 we entered a search for a software product in the name of systematically controlling the supply chain, manufacture, cost and planning of our extensive product range. After necessary market research we decided that NETSiS Fusion @6 offered the structure that would satisfy our demands."

"We envisioned an integrated and flexible ERP solution"

Indicating that they used to monitor their business processes with

the software they developed in-house, Mr Ünver stated the difficulties, which he used to experience, as follows: "The slowness of the software programmes that we developed, the problems that came up in recording the data that are retrieved from the programme, that different departments had to each enter the same data over and over, an unconsolidated data bank were causing problems and time losses; whereas the ability to respond quickly to the market is extremely important for us. We envisioned an integrated and flexible software that would store Tirsan's complex product and manufacture range in a single system, be able to keep up with our developing structure and work at our pace. Netsis Fusion @6 has provided us with everything we envisioned. Netsis is a company that has invested years in this field and has a proven track record."

Expressing that they have preferred Netsis because it is a Turkish, nevertheless an international company, Nuri Ünver explained: "It was important that the company we choose would support us at every phase



of the transition process, in the problems we would possibly encounter after the transition and in the legislative changes that would arise in the future. Tirsan Kardan has a production line that gathers three different factories under a roof and interacts among one another. Additionally we purchase goods from third parties. As a requirement of the sector we are obliged to deliver products within an hour, even moment. Netsis has proven to be a software product that understands our framework and with which we can conduct our planning."

Further explaining that the success criteria of planning in companies such as Tirsan Kardan were the inventories, Mr Ünver named the following as the advantages that Netsis contributed to their company:

- * Our high inventory level was reduced within the two years after we launched Netsis.
- * Our capacity to fulfil orders increased.
- * Our inventory turnover multiplied by two after we started to make our planning in Netsis.
- * We can review our cost structure in terms of our products and phases.
- * We can now get our balance sheet within the first five days of the month. In the previous system we were able to get our balance sheet only in the following month."

"We did not experience any sales losses"

Emphasising that Netsis has been the best decision in terms of a price-performance evaluation, that they have observed this fact better in the course of the time, Mr Ünver said, "Some criteria are used in evaluating the performance of an organisation. Accuracy is one of the top criteria.

We have experienced interruptions neither in the transition phase nor in the later phases. The system started to run flawlessly on the first day when we pressed the button after the project was completed. We did not experience any sales losses. I see this as the success of our company and Netsis. I know companies that had to close down for three months during their transition to ERP."

IT supervisor of the Tiryakiler Group of Companies who worked with Netsis in Tirsan Kardan's ERP transition project, Sabri Tüysüz told about the flawless process and the benefits of running Netsis Fusion @6 in the following words:

"We worked harmoniously with the Netsis project support team and implemented a problem-free project. The project phase was five months before we actually started to run the system. In this phase we analysed all of the reports, models, used in the previous system as well as all of the dynamics of the company. We trained our users. Netsis uses a visual interface; therefore our users could adapt themselves to the programme without difficulty. We tested the system numerous times with actual transition scenarios to prepare ourselves to the possible problems that might arise in the transition phase. In January 2005 we migrated to Netsis in full. The system started running without any problems on the first day. Invoices were issued and customer orders continued to be received accurately. The work flow was not interrupted."

"MRP is vital in production"

Explaining that when they first started to use Netsis as a corporate resource planning software their primary expectation was that the software would help in their material resource planning, Mr Tüysüz added: "Our expectations are fulfilled in this aspect. Instantaneous delivery obligations require uninterrupted material supply. We had



to administer our supplier industries in the same way a primary industry like Ford would manage its suppliers. The flawless running of MRP, calculating the orders with a precision of details, periods and quantities and putting them to production are crucial in our operation.

If we consider that we are talking about nearly 28,000 different inventory items including semi products, 250 suppliers and vast volumes of orders, it is a very complex task to instantaneously control all of them. Efficient algorithms are needed in the background. The process would lead to time losses of weeks if it were manually done by manpower. Netsis has the ability to automatically insert the details of the purchase orders and the work orders, that are issued to our production units, to the correct inventories with accurate timings and quantities."

"We closed the loop of the supply chain"

Mr Tüysüz emphasised that they were saved from time and labour with the help of the bridges, which the supply chain system has built in the electronic environment, that connect them to the primary industry. "Particularly with Ford's B2B application," explained Mr Tüysüz, "we can receive and monitor orders instantaneously via the

internet, and further inform the company about the timings and quantities of the products we have loaded. Earlier these operations were done manually. This is a laborious and instantaneous task. But with Netsis we are capable of automatically communicating the information of the issued customer waybill to the primary industry."

"We can see the future with Netsis Cost Accounting"

Indicating that cost accounting, which is an individual module in Netsis, has introduced great added value to their system in evaluating the market conditions and in production planning, Mr Tüysüz said:



The flawless running of MRP, calculating the orders with a precision of details, periods and quantities and putting them to production are crucial in our operation.

"Knowing the cost burden of a complex product we sell is very important in determining our price strategy. We have seen that in Netsis cost accounting we are able to accurately calculate the actual costs of our products including

the losses. Knowing the precise parts unit costs has been very efficient in our strategic decisions. We are now able to review the relevant tables and decide if we lower the cost by purchasing a part from third parties, or if we can manufacture the part at lower costs."

"We proceed in line with the planning processes required in the industry"

Mentioning that they run all of the advanced applications of Fusion @6, Mr Tüysüz continued:

"In the Main Production Scheduling, we can review our transactions of the past 2.5 years and prepare a production plan, thus see the future. In capacity planning we can accurately monitor the routing and losses of the products which we produce in-house or outsource."

Emphasising that nearly 200 workstations are used in Tirsan Kardan's production units and a team of 20 supervise these workstations to resolve the possible failures, Mr Tüysüz added:

"We were experiencing problems in coordinating the reparation of the different problems that came up on these workstations at different times. We have overcome these problems with the Machine Repair Module. Earlier we were not able to estimate the how much the broken workstation would delay the manufacture order. We set out to analyse this issue with Netsis, we studied the examples in similar production systems, and worked to design the best suitable model for us. We obtained positive results from our department in a few months. We coordinated the manufacture records that we defined for MRP and maintenance staff information that we received from the human resources in the Machine Repair Module thereby can now instantaneously intervene in the problems which come up in our production unit. This programme has enabled us to keep the sufficient inventories on hand with the purpose of compensating for the losses that emerge due to failures of the workstations."

NETSiS

www.netsis.com.tr